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NSC 3150

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Executive Registry
78-4693/4

CONFIDENTIAL

June 9, 1978

MEMORANDUM FOR

The Vice President
The Secretary of State
The Secretary of Defense
The Secretary of the Treasury
The Attorney General
The Secretary of Commerce
The Director, Office of Management and Budget
The United States Representative to the United Nations
The Administrator, Agency for International Development
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence
The Director, International Communication Agency

SUBJECT: Response to PD-30

Attached for your information is a copy of the State response to PD-30.

Christine Dodson
Staff Secretary

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April 30, 1978

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REPORT OF THE INTERAGENCY GROUP ON HUMAN RIGHTS AND FOREIGN ASSISTANCE CONCERNING THE EFFECTIVENESS OF U.S. HUMAN RIGHTS ACTIONS IN THE INTERNATIONAL FINANCIAL INSTITUTIONS

Pursuant to PD/NSC-30, the Interagency Group on Human Rights and Foreign Assistance submits this report on the effectiveness of recent U.S. actions in the international financial institutions (IFIs) concerning human rights. As provided in the PD, this report deals specifically with:

-- Congressional attitudes and prospective legislation;

-- views of other nations as to the propriety and legality of our actions; and

-- the effect of our actions on the advancement of U.S. human rights objectives.

Before examining these particular subjects, it will provide context to take an overall look at the human rights actions the U.S. has taken in the IFIs since January 1977 and to consider briefly the process by which these actions have been determined.

I. Overview

In general, we have been moderate in using our voice and vote in the IFIs in behalf of human rights. Of the over 500 loans that have been voted upon in the IFIs since January 1977, we have voted against only 10 and abstained on only 17 on human rights grounds. All of these loans were approved over our objection, although in a few cases we received support from other countries. In addition, we have sought to defer consideration of about 20 loans pending human rights developments in the countries in question; in

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several of these cases, the deferrals were only temporary. That the number of loans the Interagency Group has recommended for approval greatly exceeds the number as to which abstention or opposition has been recommended results from three principal factors: (a) many proposed recipients of IFI assistance have good or improving human rights records; (b) a large proportion of IFI assistance is designed to serve basic human needs; and (c) we have confined the use of our vote to instances of serious and continuing violations.

The countries that applied for the loans as to which we cast negative votes, abstained, or obtained postponements number only 13, as follows:

No Votes	Abstentions	Postponed
Argentina (3 loans)	Argentina (5 loans)	Argentina (2 loans, on both of which we subsequently abstained)
Chile (2 loans)	Benin (2 loans)	Chile (2 loans, one of which we subsequently voted against)
Paraguay (2 loans)	Central African Empire (1 loan)	El Salvador (1 loan, which we subsequently voted for)
South Yemen (1 loan)	Ethiopia (3 loans)	Korea (1 loan, on which we subsequently abstained)
Uruguay (2 loans)	Guinea (1 loan)	Nicaragua (5 loans, one of which we subsequently voted for)
	Korea (2 loans)	Paraguay (8 loans, one of which we subsequently voted against)
	Philippines (3 loans)	Uruguay (2 loans, both of which we voted against)

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While this report pertains to our actions in the IFIs, it is important to note that we have also taken steps on human rights grounds with respect to bilateral development assistance, PL 480 food aid, security assistance, export licenses for commercially supplied military equipment, Ex-Im financing, OPIC activities, and CCC credits. In addition, of course, we have used the full range of our diplomatic tools, including direct diplomatic contacts, public statements, symbolic acts, consultations with allies, cooperation with non-governmental organizations, and work with international organizations. These steps have involved the 13 countries mentioned above, as well as others. There is usually a variety of views within the Interagency Group on whether the mix of our actions concerning any particular country has been optimal.

We are committed to the proposition that it is preferable to use positive actions ("rewards") and representations through normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. Along this line, we are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. We are also quietly encouraging the IFI managements to channel their lending to countries with good human rights records and to programs that serve basic human needs. We have urged friendly nations to join us in conveying this message to IFI managements. These nations also consider this approach to be preferable to invoking sanctions. The absence of universally agreed upon criteria, the long lead time for project development, and some resistance on the part of bank managements and some members indicate that channeling IFI resources on the basis of respect for human rights and meeting basic human needs will be a long-term process, the result of which will not be evident for some time.

While we believe that greater emphasis on "rewards" rather than "sanctions" can lead to beneficial results, the fact remains that, in addition to the thrust of our human rights policy, we are explicitly required by federal statutes to oppose certain grants or loans to human rights violators.

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II. Process

Our efforts to implement this human rights policy and legislative requirements are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance. The Group has met regularly since April 1977 when it was established pursuant to a NSC directive.

As set forth in that directive, the Group has been chaired by a representative of the Secretary of State (i.e., the Deputy Secretary) and has included representatives of the Treasury Department, the Defense Department, the NSC staff, and the Agency for International Development. Participants in the Group's deliberations have also included representatives of the Agriculture Department, the Commerce Department, the Ex-Im Bank, and OPIC. In addition, Treasury's representatives have usually been accompanied by the U.S. Executive Directors to the World Bank and the Inter-American Development Bank. Thus, several agencies, each with an interest in the subject matter, are represented at every meeting.

The Group is aided significantly by its staff-level working group. The working group screens all upcoming bilateral and multilateral programs and loans for their human rights implications, including whether they would benefit the needy. The working group recommends approval of the vast majority of the matters it reviews, either because of the proposed recipient's favorable or improving human rights record or because the proposed assistance would benefit the needy. When there is disagreement on these issues or where there is consensus that the human rights record of a proposed recipient is so bad as to warrant opposing or deferring the assistance in question, the working group refers the matter for review by the Interagency Group. (The Interagency Group also has the option of reviewing matters which the working group has recommended for approval.)

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Prior to each of its meetings, the Group receives extensive agenda materials. These materials include detailed descriptions of the loans or grants to be considered, including consideration of whether the proposed assistance would benefit the needy. The agenda materials also include extensive information on human rights conditions in the countries proposed as recipients of assistance. In addition, other fundamental U.S. interests with respect to the country in question are described since the Group pays close attention to the relationship of our human rights concerns to other critical U.S. objectives. The agenda materials also include a list of other U.S. or multilateral assistance to the proposed recipient which is likely to be presented for decision in the near future, as well as a description of previous U.S. actions concerning the human rights situation in the country in question.

At the Group's meetings, each loan or grant on the agenda is separately considered. The representative of the relevant State Department regional bureau leads off the discussion with an assessment of our bilateral relationship with the recipient country, of the human rights situation there, of our human rights and other objectives, and of the role our position on the loan or grant under consideration might play. In short, the regional bureau representative sets forth a strategy for dealing with the country in question and suggests tactics that would carry out that strategy. Comments are then called for by other participants. Typically, the discussion will focus not only on the current situation but also on whether there is a genuine trend toward or away from improvements in human rights conditions.

After discussion, the Group frequently recommends that the loan or grant should be approved: because human rights conditions in the recipient country are good or are authentically improving; because other means can and should be used for the time being to indicate our human rights concerns; or because the assistance will benefit the needy. When appropriate,

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the Group may advise that the approval should be accompanied by a diplomatic demarche explaining our human rights concerns and making it clear that we are seriously taking human rights considerations into account in our foreign assistance decisions. In general and where possible under applicable law, we prefer to discuss our human rights concerns through diplomatic channels before taking any steps with respect to foreign assistance.

When the human rights situation in the proposed recipient country is poor and not improving, the Group may recommend that the U.S. not support the proposed assistance. This will particularly be the case where the assistance will not be likely to benefit the needy. In these circumstances the Group will frequently recommend that a diplomatic demarche be made to the government concerned, explaining our position and urging human rights improvements.

The Group stays abreast of human rights developments in the countries receiving U.S. foreign assistance and has on a number of occasions recommended approval of loans or programs as to which it had previously recommended opposition, abstention or deferral.

Needless to say, for a variety of reasons, including the range of human rights violations, no automatic formula can be applied to decide how to vote on particular loans to particular countries, and inevitably seeming inconsistencies will appear. But the Group has learned that the diversity of cultures, the different stages of economic and political maturity, and the range of fundamental U.S. interests make it essential to treat each country on the merits of its own situation and not to attempt to pursue our human rights objectives in precisely the same way as to all countries. Within the limits of applicable law, we are primarily concerned with taking steps that are most likely to promote human rights in a particular situation. In short, tactics must differ from country to country, but our goal -- to enhance respect for human rights -- remains constant as to all countries.

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The Group is continually examining its own procedures to determine how best to improve its operation and effectivensss. The Group is conscious that in systematically bringing human rights considerations to bear on the range of our foreign assistance decisions, it is performing a new function. Inevitably, performance of this function has at times been controversial, as the various participants grow accustomed to the new situation. Nevertheless, we believe it is an important function that must be performed if we are to comply effectively with statutory commands and to be true to our human rights commitments.

With respect to possible improvements in the process, the Treasury Department believes it would be useful to attempt to develop comprehensive human rights strategy papers for some of the major human rights problem countries. In Treasury's view, such papers could analyze three key issues: our specific human rights objectives in such countries, the relationship between human rights objectives and other U.S. national objectives, and the effectiveness of the various policy instruments which can be used to further the human rights effort. Treasury stresses the importance of making individual decisions on whether the U.S. should support or oppose prospective IFI loans in the context of a comprehensive strategy and believes this can produce more options for influencing situations well in advance of a specific IFI vote. While agreeing on the importance of strategies to guide particular decisions, some other members of the Group, including the State Department, believe that human rights situations in other countries are so constantly in flux that written studies quickly become outdated and are therefore not as useful as the oral strategy presentation noted above.

To minimize seeming inconsistencies in our use of sanctions in the IFI's, Treasury notes the desirability of being more selective in opposing loans by establishing a clearer set of criteria (e.g., confined to rights of the person) for invoking those sanctions and for excepting loans that meet basic human needs, and by limiting the use of our opposition to clear-cut situations of gross violations where the U.S. is most likely to be supported by other member governments.

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In the State Department's view, the criteria governing decisions to abstain on or vote against IFI loans on human rights grounds are those set forth in the statute and they must be applied in a manner that takes into account the differing circumstances of, and our multiple interests with respect to, individual countries. (It should be noted that in the case of each abstention or no vote there were significant violations of the rights of the person in the proposed recipient country.) As for the criteria for defining loans that serve basic human needs, they are being evolved on a case-by-case basis, in light of the legislative history of the relevant statutory provision concerning basic human needs. With respect to limiting the use of sanctions to certain countries, the State Department believes there can be little doubt that the governments of the countries listed above (p.2) are (or were at the time of the vote) engaged in serious violations of human rights, some in greater degree than others.

Finally with respect to the Group's process, it has become increasingly clear that when a convincing case is made that a given loan or project will directly benefit the needy by serving their basic needs, assistance should be approved in all but the rarest instances. Since we consider each loan and project on its merits, we see no need to exclude the possibility that extraordinary circumstances might warrant the delay or possible disapproval of a basic human needs loan, but this would clearly be the exceptional case. At the same time, it is essential that other countries understand (and we are so advising them) that our approval of basic human needs loans is not an expression of approval for the human rights practices of the recipient government.

III. Congressional Attitudes and Prospective Human Rights Legislation.

There is broad support in Congress for giving human rights concerns a high priority in our foreign policy. A growing coalition of liberals and conservatives is prepared to push new human rights initiatives. The liberals have a concern for human rights and basically support the IFIs and foreign aid. Some of the conservatives, while also concerned about human rights, are essentially anti-IFI and anti-foreign aid and many see human rights legislation as an indirect means of reducing aid.

There are no signs that Congress is having second thoughts about the Harkin Amendment which requires that the U.S. oppose

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IFI loans to governments engaged in a consistent pattern of gross violations of internationally recognized human rights, unless such assistance is directed specifically to programs which serve the basic human needs of the citizens of such country.

At the same time, there has been some confusion in Congress as to the Administration's efforts to carry out this legislation and as to the Administration's human rights policy generally. A common criticism on the Hill is that the Administration has been inconsistent in applying its human rights policy, giving harsher treatment to small countries where we have little security or economic interests, while applying a different standard to those countries which are important to us. Another argument heard on the Hill is that our human rights policy is jeopardizing "more important U.S. interests." Some members have argued that moral suasion and arousal of world opinion are more effective in achieving human rights progress than "sanctions," including opposition to IFI loans. Others are troubled about how our human rights policy is applied to a particular country or region, even though they support its application elsewhere. In connection with these criticisms, many questions have been raised as to the mandate and functions of the Interagency Group on Human Rights and Foreign Assistance.

In response to this situation, we have in recent weeks made a concerted effort to explain our human rights actions more fully to the Congress. We have sent to large numbers of interested congressmen and senators a detailed memorandum on the Interagency Group. This memorandum sets forth the statutory fremework within which the Group operates, explains the mandate and composition of the Group, and describes the Group's proceedings. Congressman Zablocki has had this memorandum printed in the Congressional Record and, in general, we have had a very favorable response to it. In addition, we have begun a series of consultations with Congressmen particularly interested in human rights issues. In this connection, we have arranged small breakfasts and luncheons where relevant human rights issues, including our actions in the IFIs, can be fully discussed.

In our consultations with Congress, we have explained that in view of the diverse circumstances of the countries proposed as recipients of assistance -- as well as the diversity of our foreign policy interests -- it is inevitable that we will pursue our human rights

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objectives in somewhat different ways as to different countries. As for the claim that we have been too prone to use "sanctions," we have explained the facts set forth above which show that we have been quite moderate in the use of "sanctions." With respect to objections from Congress about our treatment of particular countries, we have made a special effort to explain our rationale and actions to the members who have raised a question. While it would be inaccurate to say that our explanations are always considered satisfactory, it has been our experience that a sincere effort to explain our position fully has led to increased understanding.

Concern has also been expressed in Congress about the Administration's efforts to block certain restrictive human rights amendments. Some members feel the Administration's efforts have been too late and poorly coordinated. Several members have indicated that they do not plan in the future to support the Administration's efforts to block popular human rights legislation since they think those efforts are likely to be futile. We have been advised by one congressman who is a strong supporter of our human rights initiatives that it would be preferable for the Administration to deal with proposed human rights amendments while bills are still in committee or in conference rather than when they reach the floor. He argues that once the bills reach the floor, it is much more difficult to defeat an amendment. Thus, he has urged that the Administration should let human rights supporters in Congress know as soon as possible which amendments or parts of amendments the Administration can and cannot live with. We believe this is sound advice and are taking steps to implement it to the degree feasible. It must be noted, however, that in a variety of instances in the past we have made our views clear in committee -- and worked out desirable language there -- only to have such understandings rendered moot by floor revisions.

We have been advised that a great many human rights amendments may be offered this year in committee or on the floor. Thus far, however, there have been only a few proposed amendments and initiatives as set forth below.

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Some of them pertain to the IFIs; others to other forms of U.S. assistance:

-- The Young Bill (H.R. 11098): On April 5 Congressman Bill Young of Florida, the ranking minority member of the Foreign Operations Subcommittee of the House Appropriations Committee, introduced a bill requiring that the U.S. seek to modify the charter of the IFIs to require that each institution establish a human rights standard to be considered in connection with every application for assistance. The bill would also require the President to report to Congress within three months actions taken to gain acceptance of such amendments of the IFI charters. It is not clear how much support this proposal will receive in Congress. On the merits of the proposal, we believe any such effort to amend the IFI charters would arouse enormous controversy within the institutions and generate great bitterness towards the U.S. Under present arrangements, U.S. efforts to bring human rights considerations to bear in the IFIs, while resented by several IFI members, are not being actively opposed, and in some instances they are being actively supported by like-minded governments. If, however, the U.S. takes the major step of seeking an amendment in the IFI charters, what is now tacit opposition from some governments would likely become vigorous and sustained opposition that could have a deleterious effect on the functioning of the institutions. The fact that some IFI members would oppose any such effort is not dispositive. But since it is not apparent that such charter revisions are necessary in order to take human rights actions in the IFIs, there would appear to be no countervailing benefit in the course the Young bill requires.

-- Human Rights Reports: We have reason to believe that several conservative members of Congress will

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introduce legislation requiring that the Administration submit reports on human rights conditions in all countries that receive IFI loans (currently we are required to submit such reports on countries that receive bilateral U.S. economic and military assistance). Approximately 50 additional reports would be required. Some countries, especially Brazil, would be likely to react quite negatively to our submission of such a report. The Administration has opposed this legislation.

-- Harkin Amendment: Witteveen Facility. Over Administration opposition, the House passed on February 23 by a voice vote a Harkin amendment to the Bretton Woods Agreement Act. The amendment would require the U.S. Executive Director of the IMF to initiate consultations to encourage the IMF to formulate stabilization programs which foster investment and employment, especially where designed to meet basic human needs. The U.S. Executive Director would also be required to take all possible steps to see that the Witteveen Facility does not contribute to the deprivation of basic human needs and the violation of basic human rights and to oppose any loans that would contribute to such deprivations or violations. Finally, the Secretary of the Treasury would be required to prepare an annual report evaluating the effects of the Witteveen Facility on the ability of the poor to obtain (a) an adequate supply of food, (b) shelter and clothing, (c) public services, including health care, education, clean water, energy resources and transportation; and (d) productive employment that provides a reasonable and adequate wage.

The Senate version of this legislation has been reported by the SFRC and the Committee on Banking, Housing and Urban Affairs. The bill includes no human rights provisions at present, although a Harkin-type amendment could be added on the floor. State and Treasury are currently reviewing what position to take if such an amendment is introduced, as well as what position to take in conference.

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-- Harkin Amendment: OPIC. On February 23, 1978, the House added a Harkin amendment to the Overseas Private Investment Corporation (OPIC) Act of 1977, by a vote of 191 to 76. The report, including the entire Harkin amendment, was adopted by the Senate on April 5 and by the House on April 11. The amended OPIC legislation was signed by the President on April 24.

The principal effect of the Harkin amendment is to apply Section 116 of the Foreign Assistance Act to OPIC. Section 116 requires that no assistance be provided to any country which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the assistance would directly benefit the needy. The amendment also calls for OPIC to take into account in the conduct of its programs in any country (in consultation with the Secretary of State) all available information about the observance and respect of human rights in such countries. Finally, the amendment establishes the following new reporting requirements. First, OPIC must include a description of any project for which it has refused to provide insurance, reinsurance, guarantee, financing or financial support because of the human rights provisions of the amendment. Second,OPIC must include a description of any project for which it has approved such assistance due to a determination that the project either meets basic human needs or because the President has decided that approval is in the national security interest of the United States.

-- Institute for International Human Rights. Congressmen Dante Fascell and Donald Fraser have introduced legislation establishing an independent federal agency -- the Institute for International Human Rights. The institute would primarily provide financial and other assistance to private individuals or groups working to promote human rights, including individuals or groups in foreign countries. Specifically, the institute would provide financial support for a number of non-governmental organizations and individuals for such purposes as

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conducting conferences, publishing books and articles, carrying out research and studies, and supporting legal defense for victims of political persecution. The bill is expected to receive wide support. The Administration has expressed the view that such an institute, if carefully structured, could make a valuable contribution to efforts on behalf of human rights but that certain questions must be seriously addressed in considering creation of such an entity.

-- Humphrey Bill. The bill to establish the International Development Cooperation Administration (or Humphrey Bill) as introduced by Senator Sparkman on January 30, 1978, includes with no significant changes the human rights provisions of Section 116 of the existing Foreign Assistance Act (i.e., no aid to gross and consistent violators unless it would benefit the needy). The human rights provisions in the bill are intended to apply to all forms of foreign assistance covered by the bill. While the Administration will be making a variety of proposals and suggestions related to the purposes of the Humphrey Bill, it does not presently appear that these will pertain to the bill's human rights provisions.

-- The Tsongas Amendment to the Ex-Im Reauthorization Bill. On April 13, the International Trade Subcommittee of the House Banking Committee adopted the Tsongas Amendment to the Ex-Im Bank Reauthorization Bill. The operative language of the amendment reads:

> "In no event shall the bank guarantee, insure, or extend credit or participate in any extension of credit to the Republic of South Africa unless and until the President determines that significant progress toward majority rule has been made in the Republic of South Africa and transmits to the Congress a statement describing and explaining the determination."

It is not unlikely that the amendment will be accepted by the full Committee and ultimately on the House floor. The Administration, which already has the authority to do what the Tsongas amendment directs, opposed the amendment on foreign policy flexibility grounds. What position the Administration should now take is under review.

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IV. Views of Other Nations on the Propriety and Legality of our Actions

Other nations have commented on U.S. human rights actions in the IFIs during normal diplomatic contacts, as well as during special consultations on this issue that we have conducted with the governments of Canada, the United Kingdom, the Federal Republic of Germany, Sweden, Denmark, France, Belgium, Japan, Australia, and India, and with the European Commission.We hope to have consultations of this kind in the near future with other governments, including Senegal, Kenya, Venezuela, Costa Rica, and others.)

IFI donors have reiterated several themes when discussing human rights and the IFIs with us. There is agreement among those consulted thus far that human rights concerns should be taken into account in the IFIs. They place the same high value on human rights as we do. With different foreign policy agendas, however, no two countries will always make the same choices between human rights and other pressing concerns.

There is also agreement that the manner in which human rights concerns are taken into account in the IFIs should not endanger the integrity or viability of the institutions. There is concern that unless the human rights issue is handled carefully, it could cause the IFIs to become highly politicized and to lose their effectiveness in promoting development.

There is also concern that human rights not become a North/South issue. Towards this end, we and other donors agree that it would be desirable to have consultations with LDCs such as those we have held with the donor countries. As noted above, we plan to have consultations on this subject with certain LDC's in the near future. Other donors have also suggested that discussions on human rights among executive directors in the IFIs should be held outside of the IFI board meetings in order to minimize confrontations.

Several countries with whom we have consulted noted the desirability of not letting the IFIs become

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the "cutting edge" of human right policy. Canada, the UK and the FRG cited the need for actions in the IFIs to be consistent with a country's bilateral assistance program, and France pointed to advantages of using bilateral contacts first. German officials noted the results of pursuing human rights issues in such fora as the UN, the Council of Europe, and CSCE.

Some other governments said there may appear to be inconsistencies in their actions in the IFIs because of the varying interests they have in their relations from country to country. Some of the governments noted that actions toward different countries which may appear to be inconsistent if only human rights conditions in the countries are compared, may actually be consistent if a broader spectrum of foreign policy interests is considered.

The more narrow legal issue of whether IFI charters allow human rights to be taken into account in the IFIs has been raised both in direct consultations and in other ways.* While donor countries with whom we have consulted often raised the issue, it seems clear to us that the broad concerns outlined above--rather than questions of legal interpretation--would be the underlying reasons why other countries might curtail the extent to which they would take human rights concerns into account in the IFIs.

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* The Charter of the IBRD provides in pertinent part that the "Bank, its officers and employees should not interfere in the political affairs of any member, nor shall they be influenced in their decisions by the political character of... [the recipient government]. Only economic considerations should be relevant to their decisions..." The charters of the other IFIs contain comparable provisions.

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On the merits of the legal issue, they appeared to share our view that human rights concerns can legitimately be taken into account because economic development necessarily includes questions of equity, welfare and social justice. Consulted donors appeared to be concerned with the legal issue mainly because affected LDCs might seize upon it.

In general, it is still too early to know whether other donors will significantly increase the relative weight they accord to human rights considerations in the IFIs. Some members of the Interagency Group believe there is cause for optimism on this issue; others are not optimistic.

We have seen some evidence that some LDCs consider our human rights initiatives in the IFIs to be both improper and illegal. They believe it is improper because it introduces a new and extraneous issue which could lead to confrontation as well as jeopardize country program levels. They argue that introducing human rights concerns violates IFI charters and thus is illegal. They claim the issue threathens the basic integrity and apolitical character of the IFIs, making it difficult to discuss development issues rationally and without posturing between donors and recipients. The issue has generated considerable controversy within the institutions, including accusations that the U.S. is politicizing them. Korea and the Philippines have considered sponsoring a "motion of regret" in the ADB Board over U.S. human rights initiatives in that bank. Nigeria and India have questioned the use of IFIs as a tool to bring about human rights improvements. Argentina may seek a legal opinion from the IDB on whether charter provisions prohibiting politicization are violated by our human rights initiatives. There have been indications that other LDCs may take similar steps.

While we believe it is legitimate to bring human rights considerations to bear in the IFIs, the reaction of various LDCs makes it clear that we must handle the issue with great--Treasury would say greater-- sensitivity to ensure we do not alter the apolitical characters of the IFIs and impede their effectiveness in promoting development. Towards this end, we think it desirable to the extent feasible to

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implement our policies discreetly by working behind the scenes rather than generating open confrontation in the bank boards. Thus, in opposing a loan because of human rights violations, we have been making our reasons clear beforehand to the government of the borrowing country and its executive director, as well as to other governments with whom we are consulting, but have generally refrained from mentioning human rights at the board meetings.

To increase the likelihood that other countries will support us, we will be intensifying our efforts to consult with them on how to reflect human rights considerations in long-term bank lending programs in ways which would reduce the number of cases where an opposition vote of the U.S. would be required. We will also help to achieve this goal by relying increasingly on "rewards" rather than "sanctions" in furthering our human rights objectives in the IFIs over the longer term.

Some LDC's also have argued that donor emphasis in the IFIs and elsewhere on human rights and basic human needs is, in actuality, both moral imperialism and an excuse for reducing aid. Frequently LDC's have claimed that human rights initiatives stress observance of "Western-style" human rights, i.e., the rights of the individual and political rights. They claim this ignores basic economic rights, such as the right to be adequately clothed, fed and housed, the right to education and to adequate medical care, etc.

We believe our human rights initiatives do not warrant this criticism. We have repeatedly taken the position that our human rights policy seeks to promote economic and social rights as well as rights of the person and civil and political liberties. Our support of bilateral and multilateral assistance for the needy in countries with questionable human rights records demonstrates the importance we attach to economic and social rights.

Some LDC's have argued that the emphasis of our assistance programs on basic human needs is designed to impede Third World industrial development. To the

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extent our human rights policies stress basic human needs assistance, they attract the same criticism. Needless to say, what underlies our approach is not a desire to forestall economic competition from LDCs, but rather a conviction that a stronger emphasis on basic human needs will enhance our effectiveness in promoting overall economic development.

V. The Effect of Our Actions on the Advancement of U.S. Human Rights Objectives.

The United States has used a variety of policy tools to implement its human rights policy. The use of our "voice and vote" in the multilateral development institutions is only one of these tools, but one which, in certain circumstances, has been influential. IFI-related actions have normally been taken in conjunction with or subsequent to other forms of action or representation. Thus, actions in the IFIs have not become the "cutting edge" of our human rights policy.

Since, as noted above, our concept of human rights encompasses economic and social rights, we have in most instances continued to support IFI loans to countries with serious human rights problems when the loans are directed at meeting the basic human needs of the poor; at the same time, we have opposed loans to such countries for large capital and infrastructure projects. We have explained this distinction to recipient governments. In our representations we have emphasized our belief that policies which foster human rights contribute positively to economic and social development.

As for the economic impact of our actions in the IFIs, no loan has failed to be approved because of our opposition, although efforts described above to encourage other donor support may lead to the actual disapproval of loans. However, when countries have withdrawn or delayed applications for loans in anticipation of U.S. opposition, there has been a direct economic impact. (The value of all loans that have been postponed is approximately $385 million. Of that amount, loans totaling approximately $250 million were subsequently approved by the IFIs.) There has also been an economic effect in those

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few instances in which countries, anticipating U.S. opposition to a proposed loan, have switched the loans from the Inter-American Development Bank's "soft lending window" (i.e., the Fund for Special Operations), where the U.S. has veto power over loans, to the bank's "hard lending window," where interest rates are higher and maturities shorter. U.S. actions in the IFIs on human rights may also in certain cases affect a country's credit-worthiness in the eyes of commercial lenders.

As our actions in the IFIs are almost always accompanied by other actions or representations, a direct relationship cannot be shown between our actions in the IFIs and specific human rights developments in other countries. More basically, we have generally tried to avoid linking particular actions on our part -- in the IFIs or in any other context -- to particular human rights improvements in the recipient country. This kind of quid pro quo approach to human rights, while it has a superficial appeal, would in our judgment tend to permit and perhaps even encourage other countries to engage in cosmetic human rights changes designed to fetch a particular response from us. If, for example, we made it plain to a country that we would support IFI loans if a substantial number of political prisoners were released, it is possible that the country would detain prisoners for the purpose of subsequently releasing them in order to satisfy the condition we had laid down. This type of manipulation is an inherent risk of a quid pro quo approach.

This is not to say, however, that because we have resisted the notion of trading specific actions on our part for specific human rights improvements elsewhere, any particular actions on our part can fairly be characterized as ineffective. It is necessary to consider all the steps we have taken to promote human rights. We think it is clear that the totality of our actions -- including our actions in the IFIs -- has increased the costs of repression and helped to create an atmosphere in which human rights progress is more likely to occur. Our actions

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have brought about a very substantial increase in world awareness of human rights issues. This new consciousness not only helps curb existing human rights abuses; it also acts as a deterrent to new violations.

While it is not possible to say that any particular step we have taken has led to any particular result, it is probably the case that if we appeared to be reluctant to bring human rights considerations to bear in a prominent context -- such as the IFIs -- we would call into serious question the depth of our human rights commitment. Thus, if we are going to continue to be effective in raising human rights consciousness and nurturing an atmosphere in which human rights progress is more likely to occur, it is important that we continue to bring human rights considerations to bear in a conscientious, coherent way on all of our bilateral and multilateral assistance programs.

Even though no one-to-one relationship can be shown between our actions in the IFIs and specific human rights developments, it is useful to consider developments in each country as to which we have taken some IFI-related actions on human rights grounds. A country-by-country synopsis is included in Appendix A. While improvements are noted for most of the countries in question, human rights problems persist in all of the countries.

With respect to possible means of enhancing our effectiveness, Treasury believes there should be a presumption that in the IFIs we will limit the use of sanctions to promotion of the "first group" of rights, i.e., rights of the person. In Treasury's view this approach will be more likely to win support from other governments, since they will not see themselves called upon in a multilateral context to pass judgment on the political organization and structure of another government. With such added support, Treasury believes this approach could be more effective in bringing about human rights improvements in the recipient country. It will also be more effective, in Treasury's view, because violations of rights of the person can be more readily curtailed than other types of human rights violations.

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The State Department believes that to focus in the IFIs solely on violations of rights of the person would put too narrow a construction on the statutory language. It would also unduly downgrade the gravity of violations of economic and social rights and of political and civil rights. PD-30 makes it clear that all three categories of rights are the subject of our human rights policy. To downgrade these violations in the IFIs but not in other multilateral contexts would not be understood, in State's view. State believes other countries are willing to support a human rights policy that addresses all three groups. In addition, State believes it is not possible to make meaningful generalizations about whether particular types of human rights violations are more readily remediable than others. In some cases, for example, it may be that violations of political and civil rights can be stopped more expeditiously than violations of rights of the person; in other cases, the reverse may be true.

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Appendix A

Synopsis of IFI-Related Human Rights Actions by Country

Country	Action Taken	Amount Involved
Afghanistan	diplomatic representation on human rights and the IFIs	
	1 approval	$ .12

The U.S. made general human rights representations to the government of this extremely poor and traditional country. Sporadic reports of torture and arbitrary arrest and imprisonment resulted in a decision to inform the Afghanistan Government that the U.S. takes human rights factors into account in its decisions on whether to support IFI loans. The GOA has carried through with plans to promulgate a new penal code which contains human rights guarantees that supplement the traditional mixture of Islamic jurisprudence and custom.

Country	Action Taken	Amount Involved[1/]
Argentina	2 loans temporarily postponed	$109
	3 no votes	$185
	5 abstentions	$228
	1 approval	$ 83

The Argentines have been particularly sensitive to our human rights actions in the IFIs. They have pointed to improvements in their human rights situation as an argument for our changing from a no vote to an abstention in the IFIs, and they expressed appreciation when we took this course last February with respect to two IFI loans. The recent improvements which they and we have noted are: the release of some prisoners, the listing of the names of some 3,500 persons being held

1/ Amounts in millions; period covered is May 1, 1977-April 30, 1978.

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under executive detention, the acknowledgement that over 3,600 people fall into this category, and the implementation--although still on a very limited scale--of the right of such detainees to seek the option of exile. Despite these minimal improvements, disappearances, arbitrary arrests, prolonged detention without trial, torture and other violations continue to occur. Our actions in the IFIs have been complemented by frank discussions of human rights concerns in the course of visits by the Secretary and three Assistant Secretaries of State (including the Assistant Secretary for Human Rights), by the termination of security assistance and disapproval of many licenses for the export of munitions list and other arms related items to Argentina.

At our behest the Argentines temporarily delayed two large IFI loans, which they subsequently reintroduced and on which the U.S. abstained.

Country	Action Taken	Amount Involved
Bangladesh	diplomatic representation on human rights and the IFIs	
	11 approvals	$258

The U.S. has made general human rights representations to this extremely poor country, including explaining that our policy calls for taking human rights factors into account in decisions on whether to support IFI loans. The approval of some commercial arms export licenses for civil law enforcement purposes has also been delayed. Human rights concerns centered on the rather large number of political prisoners and lack of right of appeal for military personnel convicted by military courts for involvement in mutiny and a coup attempt, some of whom were sentenced to death and executed. While the government continues to hold some political prisoners, it has released large numbers, many in the last half of 1977. It is possible that the high rate of release was due in part to our representations and actions. In addition to representations,

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we negotiated inclusion of language in our FY '78 PL 480, Title I agreement to ensure compliance with the legislative requirement that the commodities provided to countries with serious human rights problems, or the proceeds from the sale of the commodities, should directly benefit the needy.

Country	Action Taken	Amount Involved
Benin	2 abstentions	$ 7.2
	3 approvals	$ 24.5

U.S. concern for human rights conditions in Benin centered on arbitrary arrests, prolonged detentions without trial and abusive treatment of detainees. We expressed our concerns to the GOB in general terms in early 1977, and in May 1977 it was determined to underscore these representations by abstaining on two IFI loans to Benin. The GOB did not seem to be aware of the significance of such action. In the meantime, however, arbitrary arrests and mistreatment of detainees appear to have ceased. This may be due in part to our actions and/or may reflect the current period of political calm.

Country	Action Taken	Amount Involved
Bolivia	diplomatic representation on human rights and the IFIs	
	10 approvals	$180.6

Bolivia is a very poor country and is extremely sensitive to changes which could affect development aid flows. The U.S. has made representations to the GOB about human rights problems in conjunction with our continued support of bilateral assistance programs and IFI assistance. The Assistant Secretary for Human Rights visited Bolivia and raised human rights concerns. Since these representations were made, and in response to mounting internal pressures, the Bolivian Government has taken several major steps to improve human rights conditions.

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These include: the release of political prisoners, permission for political exiles to return freely, provisions for the rehiring of workers fired for political or trade union activity, the end of internal exile, permission for trade unions and political parties to operate freely, and a promise of free elections in 1978.

The U.S. has also conditioned the sale of arms to the customs police on assurances that they will not be used for internal security purposes. We are continuing to vote for loans to Bolivia in the IFIs; we are also continuing AID and PL 480 assistance.

Country	Action Taken	Amount Involved
Brazil	diplomatic representation on human rights and the IFIs	
	12 approvals	$536.7

The Brazilians do not accept that other governments have a right to express concern about human rights conditions in Brazil, through public pronouncements or action in the IFIs, or in other ways. Nevertheless, since 1974 when human rights conditions in Brazil became a prominent international issue as well as a major issue in U.S./Brazilian relations, the GOB has taken steps to halt some of the abuses of the rights of the person. The torture of political prisoners has largely ceased; police abuse of common criminals continues. In a few recent cases of alleged mistreatment of criminal suspects, the accused perpetrators have been suspended pending investigation of the charges. Significant restrictions on political activities remain. The press continues to impose self-censorship, but the de facto guidelines have been considerably liberalized.

Brazil renounced FMS financing for FY '78 on the grounds that U.S. linkage of human rights and security assistance is an unwarranted interference in its internal affairs. We have not requested FMS for FY '79 for Brazil. Approval of some export licenses for both commercial arms

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and munitions list items has been delayed or denied. Secretary Vance discussed human rights concerns with Foreign Minister Silveira several items in 1977 and with President Geisel as well during his visit in late 1977. President Carter also discussed human rights issues with President Geisel during his March visit to Brazil.

Country	Action Taken	Amount Involved
Central African Empire	1 abstention	$ 6.3
	1 approval	$ 6.4

In addition to our IFI actions, we made diplomatic representations on human rights concerns, canceled new bilateral AID programs, and took the symbolic step of not sending a special delegation to the Emperor's coronation in 1977. In the wake to these steps, the Emperor and other high-ranking CAE officials have stated their understanding of U.S. human rights policy and their desire to be responsive to it in the interest of improving bilateral relations. Several favorable developments, including planning for national assembly elections, may indicate a positve trend, but problems remain.

Country	Action Taken	Amount Involved
Chile	2 no votes	$ 39
	2 loans postponed	$ 36.5

Our opposition--and that of certain other countries--to IFI loans to Chile has had little visible effect upon the Chilean Government but presumably is one factor which it takes into consideration in its policy formulation. That Government has taken a defiant stance in reaction to such international pressures and has channeled its borrowing from official sources to the private, predominantly U.S., capital market.

The U.S. has stopped (except for certain previously sold or obligated items) all security assistance, military

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training, commercial arms sales, Export-Import Bank direct loans, and bilateral development assistance. We have co-sponsored resolutions in the United Nations criticizing Chile on human rights grounds and made innumerable diplomatic demarches.

Country	Action Taken	Amount Involved
El Salvador	1 loan temporarily postponed	$ 90.4
	4 approvals	$112.1

In response to a U.S. suggestion coupled with U.S. expressions of concern about the human rights situation in El Salvador, a $90 million IDB hydroelectric loan with an FSO component was postponed at the request of the GOES for several months. It was placed before the bank board for a vote after El Salvador took some positive human rights measures, including lifting the state of siege and publicly providing security to Jesuits threatened by rightest extremists. Other positive steps included a government announcement that political exiles would be allowed to return, restraint in dealing with some acts of violence and demonstrations, and the passage of a rural tax law which included provisions benefitting low-income sectors. In light of these improvements the U.S. supported the loan when it was re-introduced. Since that time, we have received some reports of arbitrary arrests, continued detention of political prisoners, and mistreatment of detainees. The GOES has denied that it continues to hold political prisoners. We will be evaluating such reports in determining our position on future IFI loans proposed for El Salvador.

In addition to steps in the IFIs, the U.S. did not request FMS financing for FY '79 in the wake of El Salvador's

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having renounced FMS financing for FY '78 on the grounds that a Congressional hearing on the Salvadoran presidential election of 1977 constituted interference in its internal political process and an infringement of El Salvador's sovereignty. Export licenses for both commercial and munitions list items for police recipients have been denied or in some instances their issuance has been delayed. In addition, the Assistant Secretary of State for Human Rights has visited El Salvador and made human rights representations to its leaders.

Country	Action Taken	Amount Involved
Ethiopia	3 abstentions*	$ 81
	2 approvals	$ 13

The general human rights situation in Ethiopia is deplorable, although the GOE has gone to considerable lenghts to improve the economic welfare of the Ethiopian people. Our decision to abstain on two basic human needs loans to Ethiopia reflected a belief that it was necessary to send the Ethiopian Government a clear and strong signal of our concern without actively opposing such loans. The U.S. has also cut off all security assistance and is denying all commercial arms and munitions list export license applications.

Country	Action Taken	Amount Involved
Guinea	1 abstention	$ 5.5
	no approvals	-

At our suggestion, the Guineans invited and the International Commission of the Red Cross recently sent a delegate to Conakry to discuss prison conditions and other human rights issues. President Toure last year amnestied 300 prisoners. Problems of political

* One of these abstentions was based on expropriation grounds as well as human rights concerns.

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detention and arbitrary arrest persist.

Our abstention on the IFI loan was significant given the Guinean Government's interest in obtaining economic assistance and investment from the West. Our action in the IFIs has been complemented by high level demarches, denial of a request to buy coastal patrol boats and denial of a request for increased PL 480, Title I assistance. (We did allocate a PL 480, Title II program to Guinea because of drought problems.)

Country	Action Taken	Amount Involved
Indonesia	diplomatic representation on human rights and the IFIs	
	14 approvals	$512.5

Indonesia is one of the world's major recipients of IFI assistance and depends on this aid to help meet problems of massive poverty and over-population. In accordance with a timetable announced in December, 1976, Indonesia released 10,000 political prisoners in 1977. According to the Indonesian Government, approximately 20,000 prisoners, arrested over ten years ago for political insurgency, remain in detention without trial. Indonesia has said it will release another 10,000 this year and will release or try the remainder before the end of 1979. An impasse on continuation of ICRC visits has been overcome, and ICRC teams are free to visit all detention centers as well as detainees who have been released. Some Indonesian officials have told us that they are considering accelerating the schedule for prisoner releases. Some released detainees and human rights leaders have attributed GOI actions in this field in part to the influence of our policies.

U.S. human rights initiatives in Indonesia have included: frequent discussions of human rights matters by our Ambassador and other USG officials, including a visit to Indonesia by Assistant Secretary Derian; the delay or denial of commercial arms and munitions list export licenses for equipment intended for civil law enforcement purposes; and negotiation of agreed language in connection with the FY '78 PL 480, Title I agreement to ensure compliance with the legislative requirement that commodities provided to countries with serious human rights problems, or the proceeds from the sale of the commodities, must be used to benefit the needy.

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Country	Action Taken	Amount Involved
Korea	1 loan temporarily postponed	$ 0.16
	2 abstentions	$ 1.9
	10 approvals	$447.5

The Koreans have released all but one of the Myong Dong prisoners and relaxed press censorship. The ROKG handled student protests in October, 1977 and the publication of manifestos in February and March, 1978 with restraint. These steps were almost certainly related to U.S. human rights efforts, including U.S. negative actions against two IFI loans. On the other hand, the machinery which has enabled the regime to use repressive tactics against political opponents remains intact.

The U.S. has made representations on human rights issues in the course of several high level visits. In addition, the FY '78, PL 480, Title I agreement will be responsive to legislative requirements concerning food aid to countries with human rights problems (i.e. assurances that the food or the proceeds from its sale will benefit the needy). Because of U.S. national security interests, security assistance to Korea has not been affected by human rights considerations. However, approval of some export licenses, for both commercial and munitions list items for civil law enforcement purposes has been delayed.

The Koreans temporarily withdrew one loan for $162,000 on which the U.S. abstained when it was subsequently reintroduced.

Country	Action Taken	Amount Involved
Malawi	diplomatic representation on human rights and the IFIs	
	3 approvals	$ 23.1

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The U.S. has made general human rights representations, including explaining that our police includes taking human rights factors into account in our decisions on whether to support IFI assistance. Human rights concerns were raised with Malawi because of extensive arbitrary arrests and detentions. Subsequent to our representations, the Government of Malawi released almost all of those detained. While releases had begun in December of 1976, U.S. action was probably influential in encouraging the GOM to continue on this course of action.

Country	Action Taken	Amount Involved
Nepal	diplomatic representation on human rights and the IFIs	
	3 approvals	$ 26.7

The U.S. has made general human rights representations, including explaining that our policy includes taking human rights factors into account in our decision on whether to support IFI assistance. Human rights concerns have centered on the existence of some political prisoners. The Nepalese Government has taken steps to process and release the bulk of these prisoners, although some remain under detention.

Country	Action Taken	Amount Involved
Nicaragua	3 loans postponed	$ 56.3
	4 approvals	$ 33.1

The situation in Nicaragua is currently in a state of flux due to an outbreak of internal dissent that began in January following the assassination of Pedro Chammoro, President Somoza's Chief political opponent. Prior to this event, human rights improvements were noted. In September 1977 President Somoza lifted the state of siege, thereby removing press censorship, and markedly reduced the more serious abuses of the Guard, especially in the rural areas. Reports of abuse by the Guard in

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the wake of recent demonstrations and guerrilla attacks, accounts of the continued existence of political prisoners, and widespread corruption remain causes of concern. The U.S. has withheld approval of some AID loans for several months (some of which were recently approved), signed but not yet provided any funds under the FY '77 FMS agreement, proposed no FY '79 FMS assistance for Nicaragua, declined to approve commercial arms and other munitions list transfers to the Nicaraguan Government, and advised the Nicaraguan Government that if loans which do not meet basic human needs come forward in the IFIs, we may have trouble supporting them. This has resulted in the withdrawal of a loan by Nicaragua. The progress noted in 1977 was probably in part the result of U.S. actions and representations with regard to bilateral security and development assistance and IFI loans. We have supported basic human needs loans and grants to private voluntary organizations.

Country	Action Taken	Amount Involved
Pakistan	diplomatic representation on human rights and the IFIs	
	7 approvals	$214

The U.S. has made general human rights representations, explaining inter alia that our policy calls for taking human rights factors into account in our decisions on whether to support IFI loans. Approval of some munitions-related export licenses for civil law enforcement purposes has been delayed. We have been concerned about the lack of representative institutions. The regime has released virtually all political prisoners held under the Bhutto Government, including those charged in the so-called Hyderabad Conspiracy, several of whom were considered prisoners of conscience. More recently, however, the martial law administration, in anticipation of possible violence in connection with the verdict and sentencing in the Bhutto murder trial, imposed a ban on all political activity. Pro-Bhutto political leaders and potential demonstrators have been arrested for violations of that

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ban. On March 18, the court found Bhutto guilty of conspiracy to commit murder and imposed the death sentence. We expressed concern to the GOP, stressing that the potential domestic and international reactions to the carrying out of the death sentence should be carefully weighed when judging whether or not to grant clemency.

Country	Action Taken	Amount Involved
Paraguay	2 no votes	$ 45.6
	8 loans or grants postponed, some temporarily	$ 54.0
	5 approved	$ 51.8

After several months during which Paraguay, in apparent response to U.S. human rights representations, delayed bringing forward a series of loans, the Paraguayans recently re-introduced one of the loans in the Inter-American Development Bank. The loan was originally to be an FSO loan, over which the U.S. would have had a veto, but the Paraguayans re-introduced it under the "hard window." The loan was approved over the opposition of the U.S. and some other countries.

This recent Paraguayan action may reflect a change in what has been a responsive, if limited, reaction on their part to our human rights initiatives to date.

Improvements in Paraguay have centered mainly on the release of scores of political prisoners, some of whom had been detained without trail between ten and twenty years. Several recent detainees have also been processed and released promptly which compares favorably with past practices. The highly centralized authoritarian structure remains, however. President Stroessner continues to use the flexibility granted by the continuing state of siege to control opposition, the judiciary remains weak or corrupt, and arbitrary arrests, mistreatment of prisoners and prolonged detentions without trial continue.

In addition to action in the IFIs, the U.S. has delayed and denied some export licenses for both commercial

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arms and munitions list items. We did not sign the FY '77 FMS financing agreement because of human rights concerns. No decision has been taken on the FY '78 FMS agreement. Our FY '79 security assistant request was reduced from $500,000 in FY '78 to $300,000 partially for human rights reasons. We have also held back on implementation of new bilateral AID loans and made high level representations on human rights issues, including one in which President Stroessner told President Carter that he would allow the Inter-American Human Rights Commission to visit Paraguay. It now appears that Paraguay may not in fact issue such an invitation despite continuous U.S. urging to do so. It has been under pressure from some neighboring countries not to allow the visit.

Country	Action Taken	Amount Involved
Philippines	3 abstentions	$ 76
	11 approvals	$334

The following improvements have been noted in the Philippines since last May: orders were issued to limit the use of military tribunals for civilian purposes; actions to expedite the trials of some 485 cases pending before military tribunals; some political detainees were among the 3,000 detainees of various sorts freed since June 1, 1977; the martial law curfew was lifted, except in a few areas where insurgents are active; also lifted were the general restrictions on temporary travel abroad by Filipinos. Elections for an interim national assembly were held on April 7. There were numerous allegations of massive electorial fraud and large demonstrations protesting the alleged fraud. Over 500 of the demonstrators were charged with sedition and then released; 8 are still in detention. Reports continue of arbitrary arrest and mistreatment, including torture of prisoners and politically motivated prolonged detentions, but such reports are received at a diminished rate. Apart from high level discussions on human rights, including a visit by the Assistant Secretary for Human Rights and Humanitarian Affairs, the only overt action the U.S. has taken to influence change has been the denial of some commercial arms sales and actions in the IFIs. The

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Philippine Government has noted our actions in the IFIs, and it seems likely that they have played a role in bringing about the improvements noted above.

Country	Action Taken	Amount Involved
Romania	diplomatic representation on human rights and the IFIs	
	6 approvals	$303.3

It is widely understood that the Romanian internal system is tightly controlled. We have advised Romanian officials of our legislative requirement to take human rights considerations into account in determining our position on IFI loans. Discussions during President Ceausescu's visit to the U.S. April 11-17 included review of our human rights concerns.

Country	Action Taken	Amount Involved
Sierra Leone	diplomatic representation on human rights and the IFIs	
	2 approvals	$ 13.8

The government recently released two of the three opposition parliamentarians detained after last year's general elections. The Sierra Leonean Foreign Minister recently praised the U.S. human rights report on his country as "very well balanced." Actions in Sierra Leone to date have been limited to general representations on human rights and our representation on IFI lending which specifically tied U.S. ability to continue support for loans to the human rights situation at the time they come up for a vote in the IFI boards. Bilateral development aid continues.

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Country	Action Taken	Amount Involved
Thailand	diplomatic representation on human rights and the IFIs	
	7 approvals	$325

The U.S. has made general human rights representations, including explaining that our policy includes taking human rights factors into account in our decisions on whether to support IFI loans. The Assistant Secretary of Human Rights and Humanitarian Affairs visited Thailand. The U.S. has also delayed some export licenses for munitions list items for civil law enforcement purposes. The new government of Thailand has allowed organized labor greater freedom, eased press restrictions, improved trial procedures and stated its intention to hold general elections before April 1979.

Country	Action Taken	Amount Involved
Togo	diplomatic representation on human rights and the IFIs	
	2 approvals	$ 20.3

President Eyadema has responded positively to our ongoing series of human rights demarches. He has released the handful of political detainees he acknowedged holding and invited the International Committee of the Red Cross to visit Togo. Actions in Togo to date have been limited to diplomatic representations.

Country	Action Taken	Amount Involved
Uruguay	1 loan temporarily postponed	$ 0.2
	2 no votes	$ 29.6

Uruguay continues to hold many political prisoners, arbitrary arrests continue (but at a significantly

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reduced level), and, in general, a repressive mechanism is firmly entrenched. However, a new military command with apparently liberal tendencies was installed in February. The U.S. has made many representations to the Uruguayan Government expressing human rights concerns. While the GOU listens to these expressions and has allowed some independent groups into Uruguay to assess the situation at first hand, it has until recently taken few steps to respond to the recommendations of such groups or the concerns expressed by the U.S. and other governments. It has set up an office to receive public inquiries regarding prisoners. Moreover, a mission endorsed by the American Bar Association recently conferred with, and made strong recommendations to, the Uruguayan leadership concerning human rights abuses. They were given an unexpectedly cooperative reception.

Apart from U.S. action in the IFIs, we have denied Export-Import Bank financing, the Overseas Private Investment Corporation decided against entering into an agreement to operate in Uruguay, no new defense article shipments have been permitted for over a year, and we have not requested security assistance for Uruguay for FY '79. In addition the U.S., with the support of several Latin American countries, rejected an invitation from the Uruguayans to hold the next OAS General Assembly in Montevideo because of the obstructionist attitude the GOU has taken toward the work of the Inter-American Human Rights Commission.

The Uruguayans temporarily postponed one loan for $24 million, on which the U.S. subsequently voted no when they reintroduced it.

Country	Action Taken	Amount Involved
Yemen, PDR	1 no vote	$5.2

The Government of the People's Democratic Republic of Yemen has engaged in a systematic pattern of repression of human rights. Violations are considered so serious that we felt obliged to vote against the IFI loan in question (for irrigation) even though some aspects of the loan appeared to address basic human needs, and our action was unlikely to influence the PDRY. Another factor taken into consideration was the PDRY's active support of political terrorism. We have no representation in the PDRY and, accordingly limited means for conducting a direct dialogue in an effort to encourage change.

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THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL - GDS

February 17, 1978

Presidential Directive/NSC-30

TO: The Vice President
The Secretary of State
The Secretary of Defense

ALSO: The Secretary of the Treasury
The Attorney General
The Secretary of Commerce
The Director, Office of Management and Budget
The United States Representative to the United Nations
The Administrator, Agency for International Development
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence
The Director, United States Information Agency

SUBJECT: Human Rights

It shall be a major objective of U.S. foreign policy to promote the observance of human rights throughout the world. The policy shall be applied globally, but with due consideration to the cultural, political and historical characteristics of each nation, and to other fundamental U.S. interests with respect to the nation in question.

Specifically:

1. It shall be the objective of the U.S. human rights policy to reduce worldwide governmental violations of the integrity of the person (e.g., torture; cruel, inhuman or degrading treatment; arbitrary arrest or imprisonment; lengthy detention without trial, and assassination) and, to enhance civil and political liberties (e.g., freedom of speech, of religion, of assembly, of movement and of the press; and the right to basic judicial protections). It will also be a continuing U.S. objective to promote basic economic and social rights (e.g., adequate food, education, shelter and health).

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2. In promoting human rights, the United States shall use the full range of its diplomatic tools, including direct diplomatic contacts, public statements, symbolic acts, consultations with allies, cooperation with non-governmental organizations, and work with international organizations.

3. Greater reliance should be placed on positive inducements and incentives acknowledging improvements in human rights whenever appropriate and possible, through preferential treatment in political relations and economic benefits.

4. To this end, countries with a good or substantially improving record of human rights observance will be given special consideration in the allocation of U.S. foreign assistance, just as countries with a poor or deteriorating record will receive less favorable consideration. Programs for each fiscal year shall be reviewed in this light.

5. In the evaluation of the human rights condition of a foreign nation in the course of the implementation of this directive, primary emphasis shall be placed on longer term trends and on the cumulative effect of specific events.

6. The U.S. shall not, other than in exceptional circumstances, take any action which would result in material or financial support to the police, civil law enforcement authorities, or others performing internal security functions of governments engaged in serious violations of human rights.

7. U.S. human rights actions within the International Financial Institutions shall be designed and implemented so as not to undermine the essential U.S. interest of preserving these institutions as effective economic instruments. To this end, future U.S. actions in the International Financial Institutions shall seek to: utilize most effectively both our voice and our vote; understand and attempt to influence the Banks' actions as early as possible in the loan process; and, engage the support of other nations and multilateral organizations.

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8. The Interagency Group shall periodically report to the PRC/NSC on the actions taken or recommended pursuant to this Presidential Directive. In particular, the Interagency Group shall, within two months, report on the effectiveness of recent U.S. actions in the International Financial Institutions, with particular attention to: Congressional attitudes and prospective legislation; views of other nations as to the propriety and legality of actions we may take; and, the effect of our actions on the advancement of U.S. human rights objectives.

Jimmy Carter

Approved for Release: 2018/10/02 C06628555